

Message Text

UNCLASSIFIED

PAGE 01 JIDDA 05916 301101Z

17

ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-07 /024 W
----- 037680

R 301032Z AUG 76
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC 5726
INFO AMCONSUL DHAHRAN

UNCLAS JIDDA 5916

PASS OPIC

E.O. 11652: N/A
TAGS: OPIC, SA, US
SUBJECT: L.E. MYERS AND SUNDT CONSTRUCTION

REF (A) STATE 200910, (B) STATE 193280

1. RE QUESTIONS RAISED IN RESPECT TO PARA (1) JIDDA 5103, EMBASSY REPORTED THAT ARAMCO WAS QUOTE SAUDI AGENCY UNQUOTE. THIS INCORRECT AS DHAHRAN 1003 MAKES DEMONSTRABLY CLEAR. HENCE, EMBASSY WAS IN ERROR BELIEVING THAT CONTRACTS BETWEEN L.E. MYERS, SUNDT CONSTRUCTION, AND ARAMCO CARRIED IMPLICIT SAG APPROVAL FOR OPIC COVERAGE. QUESTION NOW ARISES WHAT DOES CONSTITUTE SAG APPROVAL FOR OPIC COVERAGE FOR CONTRACTS WITH PRIVATE SAUDI (OR OTHER) ENTITIES.

2. RE QUESTIONS RAISED IN RESPECT TO PARA (1) JIDDA 5105, THERE SEEMS TO BE NO QUESTION CONCERNING SAG APPROVAL OF OPIC COVERAGE WHERE QUOTE CONTRACT OR INVESTMENT SHALL BE DEEMED APPROVED FOR PURPOSES OF THIS AGREEMENT ONLY (RPT ONLY) IF ENTERED INTO WITH THE GOVERNMENT OF SAUDI ARABIA, OR AN AGENCY THEREOF UNQUOTE.

3. EMBASSY HAD BEEN LED TO BELIEVE THAT SAG APPROVAL FOR OPIC COVERAGE WAS CONVEYED IMPLICITLY BY THE REQUIREMENTS FOR SAG APPROVAL OF PRIVATE JOINT VENTURE OR INVESTMENT, WHICH CONSISTS OF CONCURRENCE BY (A) CHAMBER
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JIDDA 05916 301101Z

OF COMMERCE AND (B) MINISTRY OF COMMERCE.

4. EMBASSY RAISED THIS POINT ANEW WITH JIDDA CHAMBER OF COMMERCE. CHAMBER REFERRED QUESTION TO CHAMBER'S LEGAL ADVISOR AND TO FINANCE MINISTRY. EMBASSY INFORMED SUBSEQUENTLY THAT ABOVE APPROVALS FOR JOINT VENTURE OR PRIVATE INVESTMENT DID NOT RPT NOT, CONVEY IMPLICIT SAG APPROVAL FOR OPIC COVERAGE. INVESTOR MUST ALSO OBTAIN SAG APPROVAL FOR OPIC COVERAGE.

5. EMBASSY MUST NOW ASCERTAIN WHAT STEPS AND FORMAT ARE NECESSARY FOR SAG APPROVAL OF OPIC INSRANCE WHEN INVESTMENT INVOLVES PRIVATE SECTOR ENTITIES, THE PREVIOUS UNDERSTANDING (PARA 3 ABOVE) HAVING BEEN DENIED, WITH GOVERNMENT SEMI-SHUT DOWN FOR RAMDADAN, IT IS UNLIKELY THAT EMBASSY WILL OBTAIN PROMPT CLARIFICATION OF PROCEDURE SOON.

6. EMBASSY WOULD BE INTERESED TO KNOW WHAT TYPE DOCUMENTATION OPIC HAS RECEIVED FROM INVESTORS ALREADY HAVING INVESTMENT COVERAGE WHERE QUOTE IT WAS OBLIGATION OF INVESTOR TO OBTAIN FOREIGN GOVERNMENT APPROVAL UNQUOTE.
PORTER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, CONTRACTS, INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JIDDA05916
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760329-0365
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976088/aaaaafyz.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE 200910, 76 STATE 193280
Review Action: RELEASED, APPROVED
Review Authority: morandr
Review Comment: n/a
Review Content Flags:
Review Date: 08 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 APR 2004 by ReddocGW>; APPROVED <25 JAN 2005 by morandr>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: L.E. MYERS AND SUNDT CONSTRUCTION
TAGS: EINV, SA, US, OPIC, ARAMCO, L E MYERS, SUNDT CONSTRUCTION
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006